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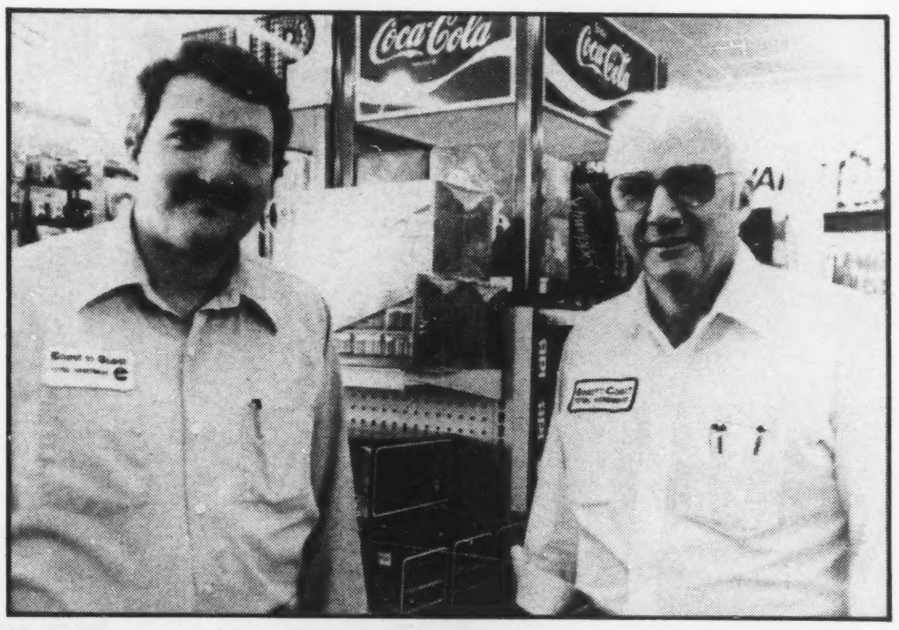

Ray Truax (right), owner of the Forest Lake, Minn., Coast-to-Coast, and son Dave (left), are budgeting for a 20% increase in sales in 1986, based on the buying groups' "Focus" retrofit of their store. NHCN photo

Coast-to-Coast slates 150 units for retrofit in 1986

By John Caulfield
NHCN staff editor

MINNETONKA, Minn. — Coast-to-Coast, the franchised buying group whose growth in recent years has been stagnant, is making a "recommitment to retailing" through its "Focus" retrofit and remerchandising program that 105 of its member-dealers have taken on since its introduction in late 1984.

This year, Coast plans to certify another 150 stores to the program, which provides dealers with higher sales and profitability through a wider selection of merchandise, a more promotional in-store presentation, and better inventory control.

"Basically, Focus is tailoring the merchandising and service of a dealer to his particular marketplace," said Bart Carlson, Coast's director of retail franchising, who is supervising the Focus effort.

(Continued on page 53)

NEWSBREAKS

NEW NORTHEAST HEAD. John Brill was named to succeed James Dunbar as executive vp of the Northeastern Retail Lumbermen's Assn. Dunbar took over the post following the death of Horace Pierce in 1983. Brill, a Rochester, N.Y., businessman, worked for the association earlier in his career.

Evans lenders submit plan; creditors get 90% of debt

Banks call for Grossman back, stock cancelled, Lindsley sold

By John Caulfield
NHCN staff editor

NEW YORK — Lenders to Evans Products, in their Dec. 17 filing of a plan for the company's reorganization, call for the reinstatement of Mike Grossman as chief executive of the retail company, the sale of Lindsley Home Centers in Miami, and the cancellation of all stock currently held by shareholders.

The banks have formulated a plan that, through a complicated formula of issuing cash and notes, would pay trade creditors of Grossman's Inc. up to 90% of the outstanding debt owed to them over a period of years. Lindsley's trade creditors could get 100% of what they are owed, regardless of whether the chain is sold or not.

This reorganization of the company under Chapter 11 also calls for the newly formed company to issue new stock and short- and long-term debentures to the banks that, over a 10-year period, would return an estimated 76% of the unsecured debt owed to Evans' 22 bank lenders.

The filing of the bank plan is expected to trigger a counter-filing by Evans Products Co., whose own reorganization formula, as laid out to its trade creditors last month (*NHCN*, Jan. 1), differs markedly in terms of debt payments and management restructuring from the lenders.

"Evans . . . intended to challenge vigorously the plan filed by such [bank lenders] Committee and the Bank of America [which is serving as collateral agent for the lenders] in the proceeding," said the company in a prepared statement issued one day after the banks filed.

Under the banks' plan, Grossman's Inc. is to be merged into Evans Products, and the two companies' assets

(Continued on page 54)

Builders Sq. and parent K mart to share three sites in Florida

SAN ANTONIO — An "excellent" real estate opportunity in Florida prompted Builders Square and its parent company K mart Corp. to share the space of three recently acquired Jefferson Ward department stores in the Sunshine State, Fred Stephens, executive vp-specialty retailing at K mart, announced on Dec. 19.

The three stores, located in leased space in West Palm Beach, North Miami and Kendall, Fla., south of Miami, are new markets for Builders Square, the 30-unit home center retailer headquartered in San Antonio.

A successful test here could mean more combination units for K mart and Builders Square, Stephens said.

"We want to digest this first," said Stephens.

K mart acquired the leases to a total of eight former Jefferson Ward stores last month. Three of those stores will become combo sites. New Builders Square stores will also be installed in former Jefferson Ward locations in Lauderdale Lakes, North Palm Beach and Richmond, Va., which are also new markets for the chain.

In addition, K mart purchased a Jefferson Ward site in Fort Myers, Fla., for Builders Square. All the units will open between March and June of this year. The remaining

(Continued on page 53)

Retailers test hard goods mall concept

By Phillip M. Perry
NHCN staff editor

NATIONAL REPORT — Seigle Home Centers, a $43 million retail chain based in Elgin, Ill., will open a 40,000-sq.-ft. unit here later this month that represents a whole new way of doing business.

Not content to erect a freestanding home center that operates on its own, Seigle has also constructed an enclosed mall with storefronts that it plans to rent at $9.50 per square foot to specialty home improvement retailers selling merchandise that compliments its own.

Synergy of merchandise; an increase in traffic flow; some pooling of advertising expenses . . . and the ability of specialists to draw customers from a broader region are cited by Seigle as factors that led to its decision to construct what amounts to a home improvement mall, which it calls "HomeQuarters Shopping Center."

Harry Seigle, president of Seigle Home Centers (left), plans to open an enclosed mall in Elgin, Ill., that will house a variety of home improvement retailers. James L. Pease, president of Pease Company (right), is one of several retailers taking part in a similar venture in Cincinnati.

Seigle is not the only home improvement retailer to take this route. Pease, a $20 million chain of three home improvement catalog showrooms based in Hamilton, Ohio, plans to open its fourth unit late in the summer in a similar mall in Cincinnati. And Build Mart Mall, in Salt Lake City, has rented out 40 small stores to as many home improvement vendors over the past year, and plans to have another 40 signed up by summer.

(Continued on page 53)

Economic woes in '85 force 400 estimated yard closings

By Laura Liebeck
NHCN staff editor

NATIONAL REPORT — Approximately 400 lumberyards are estimated to have closed their doors in 1985, mostly due to the economic crisis in farm-based communities, according to Harry Horrocks, acting executive vp of the National Lumber and Building Material Dealers Assn.

Losses are also associated with small companies being bought by larger ones, mergers and natural attrition, added Horrocks and representatives from seven other lumbermen's associations.

Exact figures on 1985 won't be available until very late this

(Continued on page 54)

NHCNews Briefs

Industry Update

Payless sells 5 units to UBC

KANSAS CITY, Mo. — Payless Cashways has agreed to sell five of its older, smaller stores in the Midwest to United Building Centers, the Winona, Minn.-based retail division of Lanoga Corp.

UBC, which operates a chain of 110 stores located mostly in the Rocky Mountain and Midwest states, will purchase for an undisclosed sum Payless' units in Iowa Falls, Manchester and Atlantic, Iowa, and Worthington and Austin, Minn.

The Iowa Falls unit bears historic import for the company, as it was opened in 1947 by Payless' former chairman, Vern Furrow, and served as the chain's headquarters from 1966 to 1973.

But Payless has been expanding with larger stores into metro markets, and the sold units "are not typical of Payless Cashways stores today," said the chain's chairman David Stanley.

Rickel plans 5 to 8 new stores

SOUTH PLAINFIELD, N.J. — Rickel Home Centers plans to open five to eight new stores this year, according to president and ceo Chuck Davis. Construction has already begun on new home centers in Willowgrove, Pa., and Warwick, R.I. The 42-store chain is also adding to its stores in upstate New York with a new unit slated for Johnson City, near Binghampton. Davis said a new store will be added in Connecticut, tying into overall expansion plans for that area.

Davis also told *NHCN* that Rickel will locate a new prototype unit in Whitehall, Pa., in the Allentown market.

Big Tool Box on selling block

AURORA, Colo. — The Big Tool Box, a 34,000-sq.-ft. independent hardware store which since its opening in 1973 has built its reputation on a giant 40,000-stockkeeping unit assortment, has been put on the selling block by owner Mentor Inc. of Denver.

General manager Joe Fischer said the store was bought from founder Harold Cohen in 1984 by Mentor, a diversified holding company which has been in the process of liquidating several of its businesses in recent months.

Great Plains moves cut costs

SIOUX FALLS, S.D. — Since April 1 when Karl Butzer was named group vp of Harvest State Cooperatives newly formed Farm Supply Group, the company, which includes Great Plains Supply and GTA Feeds, has trimmed its administrative operations costs by $750,000 and eliminated between 12 and 15 jobs, according to Butzer.

In addition, Butzer has rearranged his management team so that only one man, Jeff Lehmann, reports directly to him. Lehmann is now Butzer's gm as well as being a vp and officer of Harvest State.

Lehmann was promoted from operations manager. His former position will be eliminated, Butzer said.

Chicago now has two Hines

CHICAGO — Chicago now has two Edward Hines Lumber Companies: the one being liquidated and the New Edward Hines Lumber Co. The latter was purchased from the first by Edward Hines and his family, last Nov. 1 for $28 million plus stocks.

The purchase agreement of the 26 Chicago-area retail outlets calls for the Hines family to use the word "New" in the name of their company to minimize confusion while the other company, known as the Edward Hines Lumber Co., continues its liquidation.

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Vol. 12, No. 2 January 13, 1986

BE, Builders Square name suit ends in out of court settlement

LOS ANGELES — The dispute between Builders Emporium and Builders Square over their name similarities has been settled out-of-court.

David R. Haarz, trademark counsel for K mart, San Antonio-based Builders Square's parent company, said the settlement was "amicable. We're happy with it and I think they are happy with it."

The issue was whether there was likely to be confusion among the public as to whether Builders Square is affiliated with Builders Emporium. Builders Square has opened two warehouses in California, where Builders Emporium has been operating since the late 1940's. Builders Square is planning to open as many as 30 units in California this year and next year.

Under terms of the settlement, Builders Square will prominently highlight in its California advertising that it is a K mart subsidiary, even though this many cause confusion between K mart discount stores' Home Improvement Centers and its Builders Square stores. Builders Emporium has traditionally noted that it is a Wickes company in its advertising and signing.

The settlement ends the specter of a trial in U.S. District Court's Central District here. The legal battle had been fought since last March when depositions were first taken (*NHCN*, Oct. 21, 1985).

Tom Pollack, an attorney from Irell & Manella, Builders Emporium's outside counsel, had earlier indicated there were several specific instances of confusion among shoppers between the two companies.

If the case had gone to trial and Builders Square had lost, it would have been required to undertake an expensive transition to a new name in California. By settling the case out of court, Builders Square has now eliminated that possibility.

Scotty's makes first public offering of straight debt—$40M into debentures

WINTER HAVEN, Fla. — Scotty's Inc. made its first public offering of straight debt last month when it placed $40 million of its 30-year debentures for sale through Salomon Brothers Inc. and Smith Barney, Harris Upham & Co. The debentures carry an 11.25% rate and are priced at 99.55% of face value to yield 11.3% through their maturity date of Dec. 15, 2015.

Last June, Scotty's filed a shelf registration with the SEC covering up to $75 million of debt securities.

Harold Taylor, Scotty's senior vp and cfo, said that the proceeds of the bond issue will be used to finance the chain's stepped up program of new store expansion, acquire land for new store sites, retrofit existing stores and replace older units.

Scotty's last financing was in December of 1982, when it sold close to a million shares of common stock. By going to the public trough with this straight debt offering, Scotty's avoids having to dilute earnings per share by issuing more stock, as it has done in the past. Scotty's conservative level of long-term debt should work in its favor on the sale of the bonds.

Belknap awaits Ky. court's decision on 90-day extension of Chapter 11 filings

LOUISVILLE, Ky. — Belknap Inc. will learn Jan. 27, whether it will win a court approved 90-day extension for filing its schedules and statement of affairs as its Chapter 11 proceeding gets under way. That is also the date by which attorneys for the creditors have to complete their investigation into Belknap's finances, according to court records filed in U.S. Bankruptcy Court in the Western District of Kentucky, Louisville Division.

Belknap filed for protection from its creditors under Chapter 11 of the federal bankruptcy code on Dec. 4 in Louisville.

Belknap's attorneys motioned the court on Dec. 12 for 90 days beyond their Dec. 19 deadline to disclose their statement, said Jerry Lloyd, attorney for the creditors committee.

Judge William Brown postponed his decision on that mo-

(Continued on page 54)

Highlights in this issue

Perspectives — cover story

THE INDUSTRIAL RENAISSANCE: U.S. suppliers map high-tech defense against import invasion. Having seen what industrial neglect did to the auto and steel industries in the 1970's, home improvement manufacturers are attempting to pre-empt market erosion from imports by improving research, product design, manufacturing and distribution through computerization and mechanization. **17**

SYSTEMS & OPERATIONS

- *Minnesota company paves way for healthy worker lifestyle* —**46**
- *Daily manager program shows potential for employee growth* —**46**
- *SCAN-TECH unveils state-of-art equipment* —**47**

AD & MARKETING

- *Independent revises "old" promo to battle economy* —**48**
- *Orchard supply issues locomotive calendars in appreciation of shoppers* —**49**
- *Diamond Lumber tempts sales force with Super Bowl promo* —**49**
- *L&G sales to double by 1990* —**49**

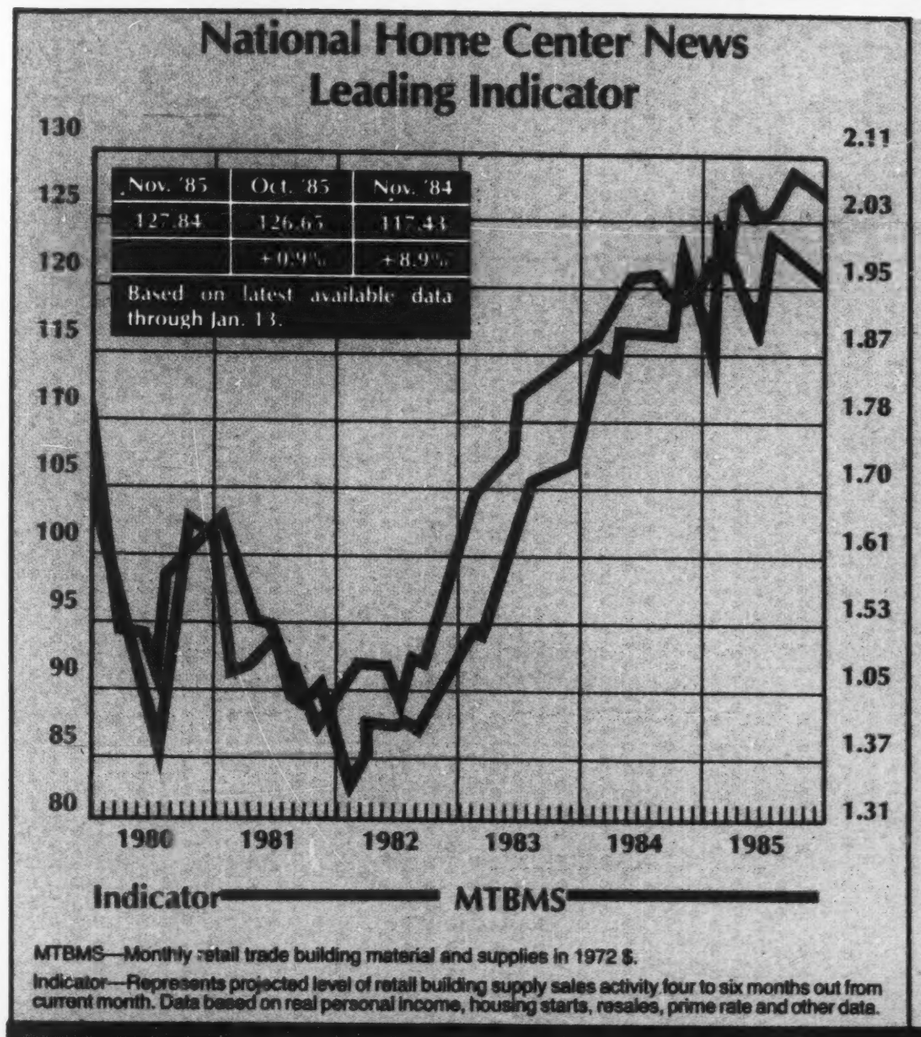
INDEX

Business Watch 4
Calendar 28, 29
Classified 50, 51
Corrections 6
Editorial 8
Home Center Market Summary 52
Lumber Report 12
New S&O Products 41-45
Washington View 8

FINANCIAL NEWS

- *Selling retail helps Grace to sew up its deep pocket hole—a news analysis reviews the figures.* —**6**

BUSINESS WATCH



MTBMS—Monthly retail trade building material and supplies in 1972 $.

Indicator—Represents projected level of retail building supply sales activity four to six months out from current month. Data based on real personal income, housing starts, resales, prime rate and other data.

Strength of building material sales to vary by region in '86

By Richard E. Mount
Special to NHCN

The strength in building material sales during 1986, presented in the last issue of the *National Home Center News*, shows a nation on the track toward solid gains. But activity will vary in different regions of the country, reflecting differences in industrial concentration geographically.

Those differences, and changes in the national economy, create a spectrum of results across both state and city lines.

The strongest sales gains for building material sales will occur in regions with a concentration in finance, services or defense employment. These economies are strong, and home repairs will rise due to the recent strength in resales.

New England will post the largest rise in building material sales in 1986. Localities with economies similar to New England's—New York, New Jersey, Virginia and eastern Pennsylvania—will also enjoy a sharp expansion.

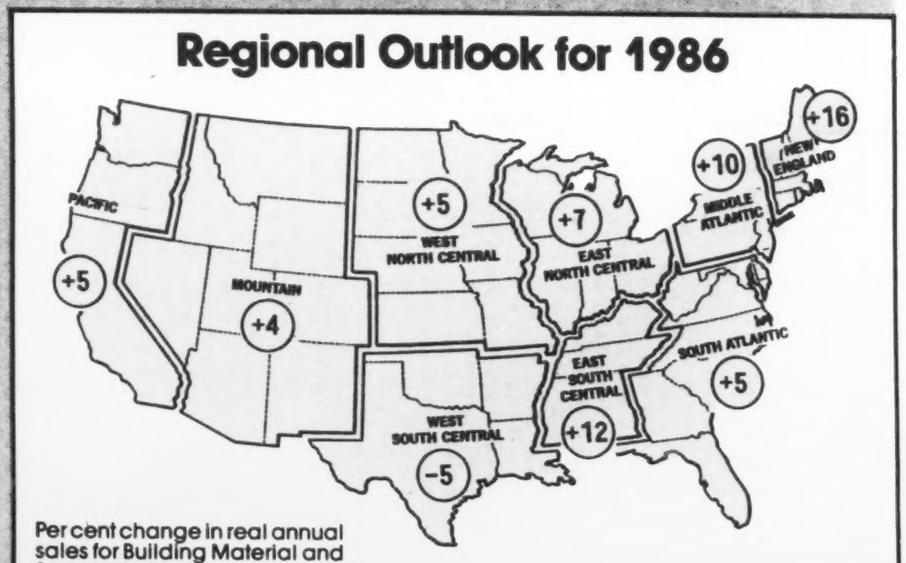
Manufacturing output will benefit from the declining value of the dollar and the accelerating economy. Industries that have faced severe import penetration of traditional markets will do well, as domestic production expands with the lower value of the dollar.

The East South Central states will experience a 12% gain in real sales of building materials. The auto-concentrated East North Central region will rise slightly faster than the national average, due to capital-goods demand. Automobile production will not expand in 1986. Import restrictions on Japanese cars will be dropped and domestic sales promotions in 1985 have reduced 1986 demand.

Mining and lumber areas will run slightly behind the national gain. Local economies are weak due to poor demand for coal, copper and other minerals. Import penetration from developing countries has further eroded domestic output. Unemployment has remained high in many of these states, keeping housing turnover in check.

The national business expansion and fall in the dollar will reverse many of the negative trends under way in the

(Continued on page 5)



Richard Mount

Home Center Industry Outlook—Part Two

	Latest Available Data	1985				1986						
		QI	QII	QIII	QIV[e]	QI[p]	QII[p]	QIII[p]	QIV[p]	1984	1985	1986
NHCN Leading Indicator (January 1980=100)	Nov.	120.2	124.3	124.5	127.1	127.1	127.6	128.0	128.4	117.8	124.0	127.8

Building Material Retail Sales

Current

Total United States ($ Millions (SAAR)	Oct.	50,468	53,012	53,248	55,937	56,565	57,408	58,439	59,295	49,774	53,166	57,927
New England	Oct.	2,504	2,881	3,191	3,474	3,575	3,605	3,623	3,629	2,743	3,012	3,608
Middle Atlantic	Oct.	6,183	7,084	7,314	7,753	7,846	7,986	8,059	8,135	6,373	7,083	8,006
East North Central	Oct.	7,226	8,531	8,469	8,883	8,937	9,048	9,239	9,410	7,935	8,277	9,159
West North Central	Oct.	3,252	3,837	3,805	3,960	3,971	4,001	4,061	4,097	3,720	3,714	4,033
South Atlantic	Oct.	11,089	11,073	10,766	11,428	11,551	11,815	12,138	12,339	10,234	11,089	11,961
East South Central	Oct.	2,677	2,894	3,040	3,228	3,264	3,358	3,454	3,534	2,723	2,960	3,402
West South Central	Oct.	6,199	6,208	5,775	5,896	5,849	5,890	5,891	6,001	6,089	6,019	5,908
Mountain	Oct.	2,678	2,589	2,584	2,702	2,726	2,784	2,858	2,911	2,617	2,638	2,820
Pacific	Oct.	8,660	8,107	8,160	8,614	8,847	8,921	9,116	9,238	7,340	8,385	9,031

Constant

Total United States ($1967 SAAR)	Sept.	22,284	23,484	23,690	24,640	24,670	24,790	24,985	25,100	22,623	23,525	24,886
New England	Sept.	1,106	1,276	1,420	1,530	1,559	1,557	1,549	1,536	1,247	1,333	1,550
Middle Atlantic	Sept.	2,730	3,138	3,254	3,415	3,422	3,448	3,445	3,444	2,896	3,134	3,440
East North Central	Sept.	3,191	3,779	3,768	3,913	3,898	3,907	3,950	3,983	3,606	3,663	3,935
West North Central	Sept.	1,436	1,700	1,693	1,745	1,732	1,728	1,736	1,734	1,691	1,643	1,733
South Atlantic	Sept.	4,896	4,905	4,790	5,034	5,038	5,102	5,189	5,223	4,652	4,906	5,138
East South Central	Sept.	1,182	1,282	1,353	1,422	1,423	1,450	1,477	1,496	1,238	1,310	1,462
West South Central	Sept.	2,737	2,750	2,569	2,597	2,551	2,543	2,518	2,540	2,769	2,663	2,528
Mountain	Sept.	1,182	1,147	1,150	1,190	1,189	1,202	1,222	1,232	1,189	1,167	1,211
Pacific	Sept.	3,824	3,591	3,630	3,795	3,858	3,852	3,898	3,911	3,336	3,710	3,880

Per Cent of U.S. Total

Current

Total United States ($current)	Sept.	100	100	100	100	100	100	100	100	100	100	100
New England	Sept.	4.96	5.43	5.99	6.21	6.32	6.28	6.20	6.12	5.51	5.67	6.23
Middle Atlantic	Sept.	12.25	13.36	13.74	13.86	13.87	13.91	13.79	13.72	12.80	13.32	13.82
East North Central	Sept.	14.32	16.09	15.90	15.88	15.80	15.76	15.81	15.87	15.94	15.57	15.81
West North Central	Sept.	6.44	7.24	7.15	7.08	7.02	6.97	6.95	6.91	7.47	6.99	6.96
South Atlantic	Sept.	21.97	20.89	20.22	20.43	20.42	20.58	20.77	20.81	20.56	20.86	20.65
East South Central	Sept.	5.30	5.46	5.71	5.77	577	5.85	5.91	5.96	5.47	5.57	5.87
West South Central	Sept.	12.28	11.71	10.85	10.54	10.34	10.26	10.08	10.12	12.24	11.32	10.28
Mountain	Sept.	5.31	4.88	4.85	4.83	4.82	4.85	4.89	4.91	5.26	4.96	4.87
Pacific	Sept.	17.16	15.29	15.32	15.40	15.64	15.54	15.60	15.58	14.75	15.77	15.59

Industrial Production

Index (1977 = 100)

Brick	Oct.	86.6	87.5	91.3	90.0	91.5	92.3	92.0	91.3	83.1	88.9	91.8
Cement	Oct.	105.9	110.0	106.5	105.5	106.2	106.7	106.2	105.6	102.1	107.0	106.2
Gypsum Wallboard	Oct.	116.8	127.7	129.6	131.2	131.5	132.2	128.8	123.5	119.2	126.1	129.0
Hardware	Oct.	102.2	102.7	99.2	99.5	100.3	101.2	102.1	102.9	100.6	100.9	101.6
Lumber Products	Oct.	118.1	121.8	126.2	127.1	127.1	127.8	126.4	125.1	119.8	123.3	126.6
Paint	Oct.	102.5	106.0	99.2	100.1	103.2	104.5	105.6	106.7	102.6	102.0	105.0
Plywood	Oct.	130.7	137.1	144.3	142.1	141.6	141.7	141.1	139.2	129.5	138.6	140.9

Data: Department of Commerce
Federal Reserve Board
Dec. 19, 1985
Source: Merrill Lynch Economics for *NHCN*

The Home Center Industry Outlook runs in two parts, in alternate issues. Part I includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. Part II includes latest data on regional building material & supply store sales; and industrial production. The *NHCN* Leading Indicator runs every issue.

SAAR—Seasonally Adjusted Annual Rate
e—estimate
p—projection
NHCN chart

Richard E. Mount is senior economist and manager of housing and construction material research for Merrill Lynch Economics.

FINANCIAL NEWS

Material sales strength to vary by region in '86

(Continued from page 4)

Mountain states, western Pennsylvania and West Virginia. But housing and employment must expand further in these areas before building material sales accelerate.

Building material sales in Oregon, Idaho and Washington face continued pressure, as national housing starts weaken in the second half of 1986, reducing demand for lumber output.

The West North Central states will be subpar in 1986. The farm states remain troubled as agricultural prices continue to soften. Housing activity has fallen sharply in Iowa, Kansas, Nebraska and North Dakota. Missouri, however, will be one of the stronger markets in the region because of its manufacturing base.

The West South Central states will be the worst performers in 1986. Declining energy prices have sharply curtailed local economies, pushing new and existing home sales sharply lower. Real sales of building materials will be down at least 5% this year, with many cities much weaker.

NEW ENGLAND—THE STAR PERFORMER

New England has had the strongest regional recovery during the current expansion, having successfully steered its economy away from its traditional manufacturing base toward more promising areas. Massachusetts has grown in two directions. Finance opportunities have developed in Boston, while high technology firms have sprung up along Route 128. Connecticut is favorable for corporate-headquarters relocations and defense spending. New Hampshire continues to offer preferential tax rates for manufacturing. Vermont provides a service economy and a boom in vacation housing.

The changes in the structure of state economies in New England have led to sharp gains in employment, housing activity and resale prices. While the national unemployment rate has been hovering at 7%, the rate in Massachusetts is 4% and in Boston 3.5%. Housing starts in New England are back to their 1972 peak, while the nation remains 25% below its level in 1972. Housing appreciation in Boston is up 37% from a year ago, vs. a national norm of 5%.

The strong economic gains in this region have fueled a burst in demand for building materials and supplies. Real sales volumes rose sharply in the second and third quarters of 1985. Sales gains will plateau in 1986, but the level is high enough for an annual gain of 16%.

REAL BUILDING MATERIAL AND SUPPLY STORE SALES

This issue's report estimates the real volume of regional building material and supply store sales. The data is calculated from retail sales of durable goods in the nine census regions, building materials, home, garden supply and mobile home retail trade in the four Census divisions and national building material and supply sales. Sales were adjusted by a price deflator to arrive at a measure of unit volume.

The Department of Commerce has issued a new measure for GNP. In the next report we will discuss the significance of this series for building material and supply store sales.

Earnings drop at Pay 'N Pak 34% to 1.76M

KENT, Wash. — Pay 'N Pak reported a 34% drop in earnings to $1.76 million on a 5% sales gain to $81.6 million in the third quarter ended Nov. 30.

In a statement, chairman David J. Heerensperger said the 104-unit retailer "was hurt by the unexpected and severe snowstorm in the Pacific Northwest in November and by delays in getting our four new San Francisco Bay Area stores open."

Pay 'N Pak opened two warehouses in San Francisco and South San Francisco in November, and will open two more Bay Area stores this month. Pay 'N Pak also converted three stores in the Portland, Ore., market, which it acquired from Handyman, to its warehouse format in the third quarter. Pay 'N Pak now operates 31 warehouse-format stores.

For the nine months of the current fiscal year, Pay 'N Pak has recorded a 23% earnings decrease to $6.86 million on a 6% sales gain to $259.2 million.

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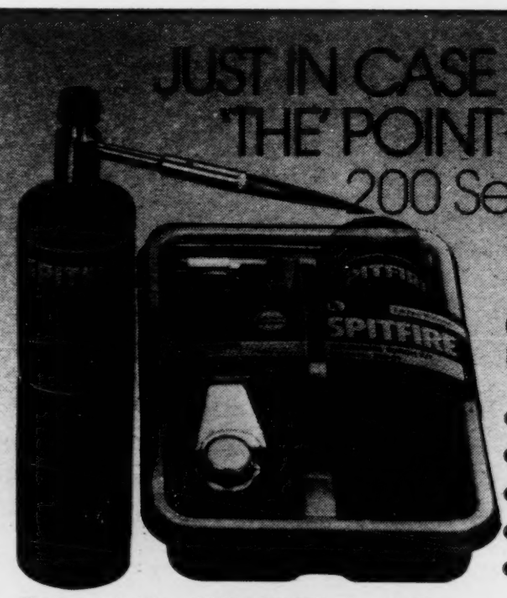

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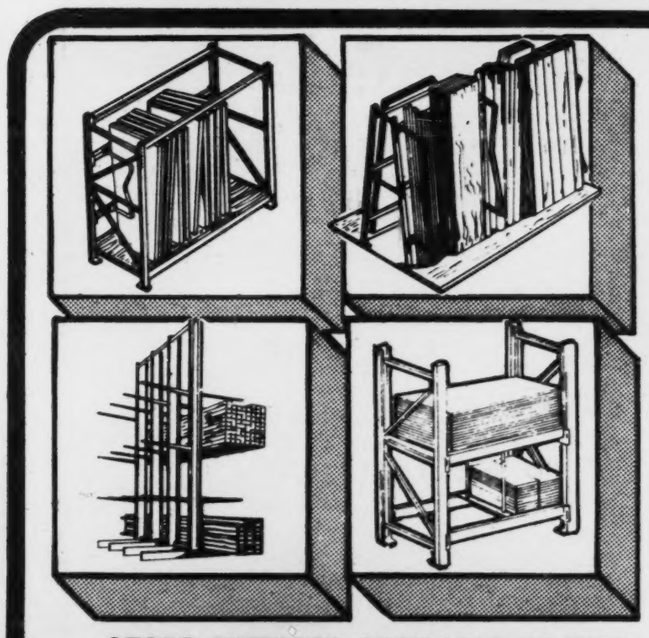

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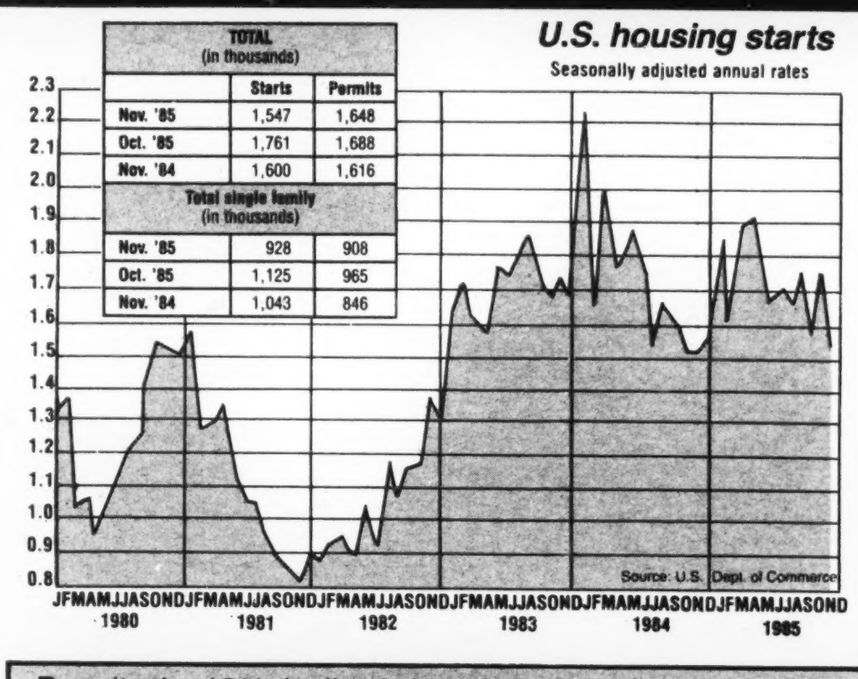
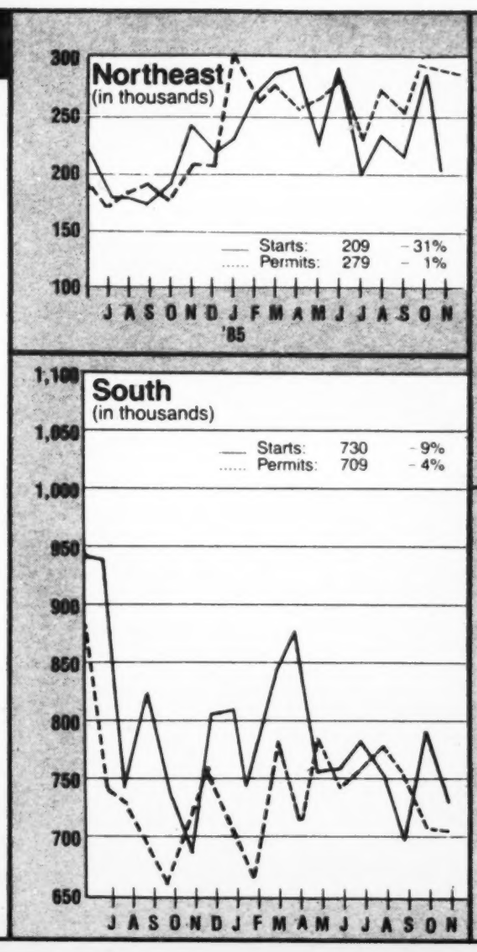
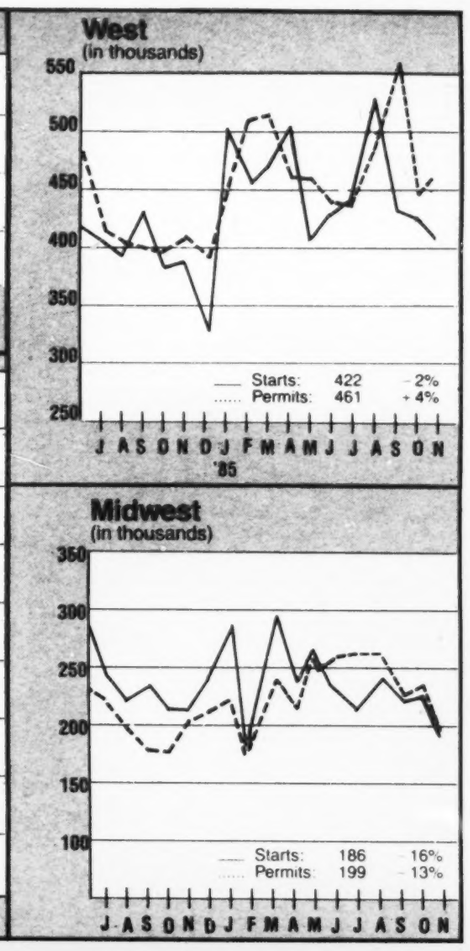
Review New Equipment in *NATIONAL HOME CENTER NEWS*

HOUSING WATCH



Despite the 12% decline in housing starts in November, the National Assn. of Home Builders believe 1985 will finish near its 1.72-million-unit goal. Starts in November, however, produced a seasonally adjusted annual rate of $1.55 million units, the lowest level in 15 months.





Nov. starts plunge 12%

NATIONAL REPORT — November housing starts plunged 12% to a seasonally adjusted annual rate of nearly 1.55 million units, the lowest pace since August 1984 when the rate was 1.54 million units, according to U.S. Commerce Department reportings.

Single-family construction also declined during this period, by 18%, to a seasonally adjusted 928,000 units. Housing permits dropped, too, by 2% to 1.65 million units and single-family permits declined 6% to 908,000 units, seasonally adjusted.

All four regions charted declines in November. The Northeast led the way with a 31% loss, to 209,000 units, seasonally adjusted. The only increase recorded in November came from the West. Permits there rose 4% to a seasonally adjusted 461,000 units.

November's declines have not altered the 1.72-million-unit prediction for 1985 by the National Assn. of Home Builders, noted Gopal Ahluwalia, assistant staff vp-director of research. "When December starts are in we'll be very close to it," he added.

November's declines are not noteworthy, said Ahluwalia and Dr. George Sternlieb, director of the Center for Urban Policy Research at Rutgers University in New Brunswick, N.J., month-to-month figures never are, they said.

Ahluwalia noted that the slowdown was inevitable, that the charged housing pace could not continue, particularly in the Northeast, which fueled the numbers every month, and in the Midwest. And the weather affected construction, too, he said, adding that the housing market is no longer based on the first-time buyer but on the move-up buyer who perceives that housing is not as good an investment or hedge against inflation as it used to be.

Sternlieb agrees in part but charges that value is not always an ingredient in new housing and that builders have inflated the cost of their product and cancelled out the benefits of lower mortgage rates, which were expected to fuel a housing boom in 1985.

Fixed-rate mortgages have been hovering at the 12% mark, with adjustable rate loans falling to about 9% in recent months. Housing starts, however, have fluctuated alternately up, then down each month last year.

Compared to November 1984, housing starts were down 3% and single-family starts were down 11%. Permits, however, were up 2% in November compared to the corresponding month in 1984 and single-family permits were up 7%.

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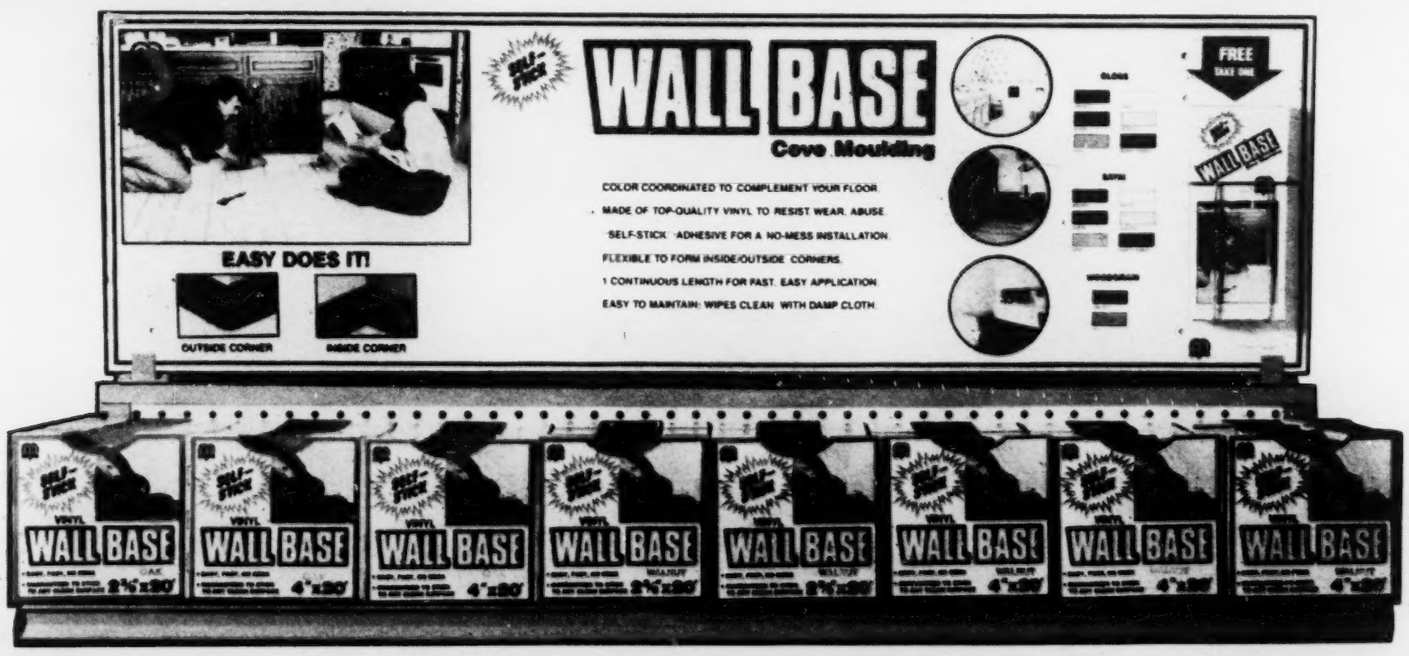
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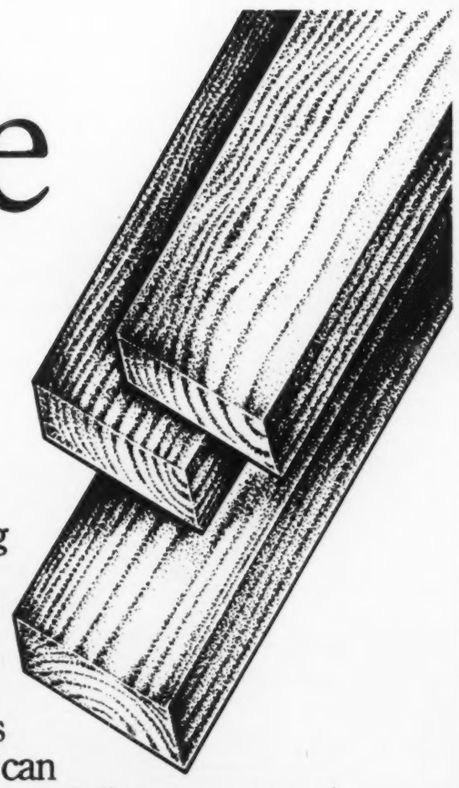

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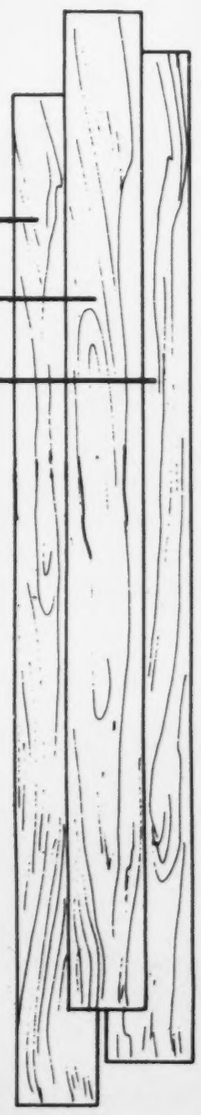

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LUMBER REPORT

House passage of modified tax bill stirs forest industry's ire

'There's no doubt that our next step is going to be to convince the Senate that this bill [the modified Reagan tax bill] is injurious to capital intensive industries like our own. If the Senate wants to have a viable forest products industry in this nation, they had better take a long hard look at this bill.'

—Luke Popovich,
National Forest Products Association

By Milford Prewitt
NHCN Staff Editor

WASHINGTON — Despite months of intense lobbying for and against tax reform, the House of Representatives passed a modified Reagan tax plan Dec. 17, but a version that contains intact all of the major provisions the forest products industry had condemned.

The approval came just one week after President Reagan suffered a resounding defeat in the House by the Ways and Means Committee, which voted to defer consideration of the tax bill until the new year. But personal lobbying by the President and bi-partisan allies in the House resurrected the tax plan by changing procedural debating rules and utilizing obscure rules of order.

The bill is headed to the Senate where many observers feel it will face some changes and emerge slightly more favorable to big business.

But it is the survival of the timber provisions in the bill that has stirred the ire of the forest products producers and lumber retailers.

While they may differ on the question of curbing Canadian lumber imports, the National Lumber & Building Materials Dealers Assn. and the National Forest Products Assn. (NFPA) has joined forces within the past few months and urged their membership to flood House representatives with letters calling for the dismantling of the timber tax plans.

As the bill stands currently, there are three provisions in the tax plan that forest products producers and lumber dealers believe would seriously cripple the forest industry.

One of the components of the plan would remove capital gains treatment for timber and allow the government to tax the revenues of forest products producers as ordinary income and not as investment income.

A second despised portion of the tax bill would not allow the timber growers to earn any investment tax credits from expenses incurred from constructing new roads, building new mills or fighting forest fires.

The third part of the bill that draws the industry's anger, as well as the use of other capital intensive industries, would not permit forest products companies to stretch out depreciation allowances over longer periods of time.

Luke Popovich, a spokesman for the NFPA, denounced the bill and suggested that the tax plan in its current version threatens the survivability of American forest products concerns to compete overseas. Although he said he was not surprised by the timber provisions remaining in the vote, Popovich said the next step is to find sympathetic Senators like Sen. Bob Packwood (R-Ore.), chairman of the powerful finance committee and a strong opponent of the timber proposals, to challenge the reform package.

"There's no doubt that our next step is going to be to convince the Senate that this bill is injurious to capital intensive industries like our own," Popovich said. "If the Senate wants to have a viable forest products industry in this nation, they had better take a long hard look at this bill.

"This package is going to raise the cost of capital to the extent that this industry just won't be able to compete, not only at home, but globally. People just won't have the incentive to invest in this business."

But Popovich said he has been encouraged by Packwood's influential and outspoken criticism of the tax plan and hopes that the senator is able to remain a dilligent antagonist of the reform plan.

"The chairman has been talking out against this for a long time and his view is a lot different from the Reagan view," Popovich said. "He is independent and thinks his own way."

With all the debate on tax reform, the bevy of legislation proposing limits on foreign imports, especially lumber, were brushed aside.

At least five bills in Congress affecting lumber imports will be carried over into January. The most publicized piece of legislation to date has been the Gibbons Bill, sometimes referred to as the countervailing duties act.

Although many in the forest products industry are confident that the bill will pass the House intact sometime in 1986, many fear that the bill faces a more uncertain future in the Senate and the likelihood of a presidential veto.

The Gibbons bill, which pits lumber dealers and forest product producers into two opposing camps, proposes to establish countervailing tariffs on foreign imports whose governments subsidize industry operations and whose products are priced lower than similar American goods.

In the meantime, U.S. Trade Representative Clayton Yeutter is expected to conduct top level discussions with the Canadian Trade Minister James Kelleher and Canadian forest industry representatives early this year.

In a press release, Yeutter said he will work to "eliminate the distorting impact of Canadian price practices."

* * *

A survey by Random Lengths, a weekly newsletter of the forest products industry, showed that nearly 50% of lumberyard operators in the Midwest last year increased their stockkeeping units to appeal to the DIYer.

According to the poll, of 179 respondents who operate a total of 1,642 stores and yards, nearly three-fourths continued to count on contractors for more than 50% of their sales. But about a fourth relied on the DIY trade, with more than half of those polled in the midwest indicating they depend on DIYers.

In another finding, Random Lengths discovered that 85% of the lumberyard operators in the West purchased Canadian lumber, but that these same retailers indicated that 10% or less of their gross sales was in Canadian wood.

FUTURES

Two weeks ended Dec. 12, 1985

LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's: $ per 1,000 bd. ft.

	High	Low	Close (Settle)	Previous Week	Open* Interest	Contract High	Contract Low
Jan. '86	153.20	150.20	152.70	149.90	3,200	187.30	133.60
March	157.90	154.80	157.40	154.20	2,171	195.00	139.70
May	161.20	158.40	160.90	158.60	754	176.40	145.20
July	164.50	162.10	163.70	162.30	196	183.40	149.50
Sept.	167.10	164.50	165.00	165.70	188	189.00	152.90
Nov.	166.80	164.50	165.50	165.90	100	166.90	153.00
Jan. '87	171.00	168.20	170.00	170.00	15	173.50	164.50

Total Contract Vol. (Through 12/12): 12,436 — **Previous Two Weeks: 10,727**
Total Open Interest (As of 12/13): 6,614 — **Previous Week: 6,950**
Cash Price: $147.00 — **Previous Week: $147.00** — **Year Ago: $145.04**

CME—Chicago Mercantile Exchange
*Figures for Thursday, Dec. 12.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

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Perspectives

merchandising

9 out of 10 shoppers own hand tools
Hand tool ownership and buying patterns

	Total shoppers		DIY ability: Beginner		Intermediate		Advanced		Expert	
Product	Own	Bought in past 2 yrs.	Own	Bought in past 2 yrs.	Own	Bought in past 2 yrs.	Own	Bought in past 2 yrs.	Own	Bought in past 2 yrs.
All hand tools	97.3%	75.4%	94.8%	74.6%	97.6%	74.6%	98.0%	77.3%	97.7%	79.7%
Screw driver	97.1	36.9	94.0	31.3	97.5	36.2	98.0	38.0	97.7	47.4
Hammer	96.9	21.3	94.0	15.7	97.3	19.4	97.7	22.8	97.7	30.1
Adjustable wrench	96.2	15.8	94.0	15.7	96.6	16.4	97.2	15.5	97.0	16.5
Tape rule	96.5	34.0	89.6	26.1	97.2	33.6	97.8	34.4	97.7	45.1
Socket wrench set	95.2	21.6	85.8	18.7	96.0	23.6	97.0	22.1	97.0	18.8
Hand saw	95.1	13.4	89.6	11.9	94.8	16.0	97.5	12.1	96.2	12.8
Utility knife	94.1	20.3	83.6	17.2	94.3	18.5	96.6	21.3	96.2	29.3
Level	93.3	17.4	79.9	14.9	93.0	18.2	96.6	18.6	95.5	15.0
Vise grip pliers	91.2	15.4	75.4	13.4	91.6	16.4	93.9	14.9	94.7	18.8
Caulking gun	90.9	17.4	74.6	20.9	90.3	17.3	95.5	16.7	94.0	19.5
None	2.7	24.6	5.2	25.4	2.4	25.4	2.0	27.7	2.3	20.3

No. of respondents/total shoppers: 1,648; Beginners: 134; Intermediate: 669; Advanced: 639; Expert: 133.
Source: Rodale Press, *New Shelter* magazine; *NHCN* chart

At least 20% of the beginner DIYers purchased a screw driver, tape rule or caulking gun in the past two years.

Screwdrivers top poll on who buys and owns hand tools

NATIONAL REPORT — Most DIYers, whether they consider themselves beginners or experts, own hand tools. And, 10 types of hand tools are owned by 9 out of 10 respondents to a recently published survey conducted by Rodale Press' *New Shelter* magazine, which polled its subscribers last year.

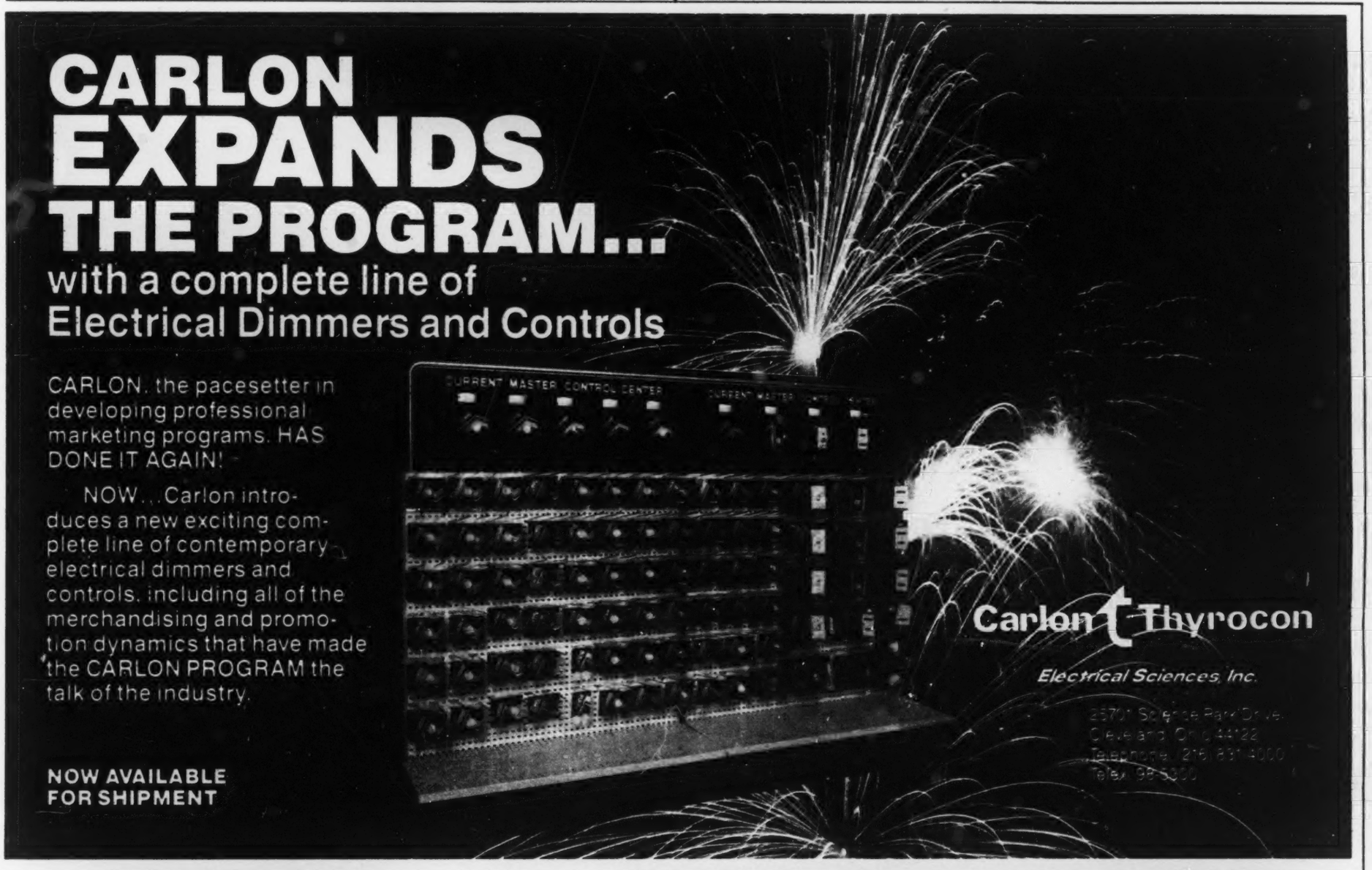
Three out of four of the study's respondents—comprising a group of more accomplished home improvers—bought some type of hand tool in the past two years. That proportion increased even higher—to almost 8 out of 10 respondents—among those who classified themselves as DIY experts.

As far as the individual tools are concerned, the screwdriver is owned by almost all of *New Shelter*'s readers. A hammer, adjustable wrench and tape rule are also owned by a great number of respondents, with the tape rule a real up-and-comer as 34% of the total DIY shoppers said they purchased a tape rule in the past two years—second only to the screwdriver.

On the other hand, while a high percentage of shoppers said they own an adjustable wrench, a relatively lower percentage, just 15.8%, said they purchased such a tool in the past two years.

New Shelter's 1985 Homeowners' Data Base Study represents a national cross-section of homeowners (91% of the sample) and nonhomeowners who said they could be motivated to purchase a home in the next 12 months. The survey queried 2,319 subscribers to the magazine. As part of a joint research effort with *NHCN*, the data in the report is based upon the responses of 1,648 subscribers who identified themselves as home center shoppers. The hand tool section of the report contains the results of 1,496 respondents.

American consumers love hand tools, some of which can be seen behind glass at this Hill-Behan Lumberjack store in St. Louis. NHCN photo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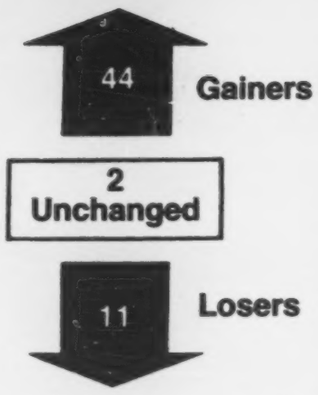
FINANCIAL NEWS



For the two week period ended Dec. 20, about four times as many home center stocks gained in value as lost.

It was the second consecutive period of substantial price improvement, reversing a downward trend that had dogged the industry since late summer.

Gainers outpaced losers 44 to 11 with two stocks unchanged. Home center stocks continued to enjoy the upward ride taken by the market generally and it seemed as if the year would end upbeat.

Strong performers were led by Hechinger B which gained 19.2% to $21.75, while Hechinger A, also a leading performer, was up 12.9% to $19.75.

Home Depot stock retained its strength at 13.25, still considerably off its $20.38 52-week high but a rebound from its $10.50 low of a few months ago.

Poor performers included Homecrafters Warehouse, which was off 15.4% to $1.38 following its Chapter 11 filing early last month and Pay 'N Pak, which was off 5.5% to $13.

Pay 'N Pay reported a 34% earnings drop on a 5% sales gain for its third quarter. Results were attributed to weather and store opening expenses.

MOST ACTIVE STOCKS

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
	(100)	%	%
Ply-Gem A	5,874	776.3	1.5
Wickes Cos A	176,577	622.0	11.8
Hechinger A M	11,751	558.8	12.9
Grace W R N	58,049	466.8	7.6
Waxman Ind M	3,121	362.8	10.7
Homecrafters Whse M	7,307	314.4	- 15.4
Natl Lumber M	975	311.9	- 2.5
SW Forest Ind N	13,113	305.7	10.5
Stanley Works N	7,231	288.1	6.1
Masco Corp N	20,892	287.1	5.2
Lowe's Cos N	19,613	286.4	7.0
Owens Corning N	10,852	261.4	6.3
Sears, Roebuck N	142,783	244.7	1.3
Thos Inds N	1,583	234.0	14.6
Home Depot N	13,252	230.6	17.8
Color Tile M	8,706	228.0	2.6
Hechinger B M	2,060	225.5	19.2
Pay N Pak N	4,517	213.9	- 5.5
Svc Merchandise M	27,868	202.2	2.0
MacMiln Bldel N	177	200.0	16.7

TOP GAINERS

Company & Market	2-Weeks Ended 12-21-84	2-Week Price Change	Total 2-Week Volume
	$	%	(100)
Hechinger B M	21.75	19.2	2,060
Mor-Flo Inds M	18.63	18.3	383
Home Depot N	13.25	17.8	13,252
MacMiln Bldel N	17.50	16.7	177
Thos Inds N	20.63	14.6	1,583

TOP LOSERS

Company & Market	2-Weeks Ended 12-21-84	2-Week Price Change	Total 2-Week Volume
	$	%	(100)
Homecrafters Whse M	1.38	- 15.4	7,307
Pay N Pak N	13.00	- 5.5	4,517
Certain-teed N	26.63	- 4.1	2,225
Natl Lumber M	4.88	- 2.5	975
Lewis Palmer M	7.75	- 1.6	843

National Home Center News® HOME CENTER INDUSTRY MARKET SUMMARY

Company and Market	Stock Market: Price: 2-Weeks Ended 12-20-85	2-Weeks Change: Amt.	2-Weeks Change: Pct.	2-Week Range: High	2-Week Range: Low	52-Week Range: High	52-Week Range: Low	Volume: 2-Weeks Shares Traded: Total	Volume: 2-Weeks Shares Traded: % Out	Volume: 12-Week Avg. Vol. As % Out	Volume Trend Change	Financial Update: P/E Ratio	Indicated Divd. Rate: Amt.	Indicated Divd. Rate: Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue: Amt.	Latest Quarter: Revenue: Chg.	Latest Quarter: Net Income: Amt.	Latest Quarter: Net Income: Chg.	Latest Quarter: E.P.S.: Amt.	Latest Quarter: E.P.S.: Chg.	Year-to-Date: Revenue: Amt.	Year-to-Date: Revenue: Chg.	Year-to-Date: Net Income: Amt.	Year-to-Date: Net Income: Chg.	Year-to-Date: E.P.S.: Amt.	Year-to-Date: E.P.S.: Chg.
	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																													
Color Tile M	19.75	.50	2.6	21.50	19.50	21.50	15.25	8,706	9.38	2.86	228.0	13.2	.00	.0	.....	3 mos.	09-85	95.0	25.8	3.3	17.9	.36	16.1	95.0	25.8	3.3	17.9	.36	16.1
Erb Lumber M	35.75	2.75	8.3	35.75	33.50	36.50	18.00	125	1.40	.63	122.2	6.1	.00	.0	.....	9 mos.	09-85	61.4	44.1	2.3	91.7	2.67	105.4	142.3	27.5	4.3	104.8	4.87	112.7
Forest City Ent A	25.50	.50	2.0	25.75	25.00	25.75	19.38	93	.23	.27	- 14.8	47.2	.15	.6	NEW	9 mos.	10-85	72.8	14.3	.0	- 100.0	.00	- 100.0	200.0	5.7	3.6	20.0	.45	12.5
Grace W R N	47.63	3.38	7.6	49.50	44.00	49.50	35.50	58,049	11.96	2.11	466.8	15.0	2.80	5.9	.....	9 mos.	09-85	1758.1	6.0	25.3	- 23.6	.41	- 39.7	5246.9	7.1	102.2	- 25.1	1.96	- 30.0
Handyman A	26.50	- .38	- 1.4	26.88	26.38	29.63	21.75	161	.64	.96	- 33.3	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger A M	19.75	2.25	12.9	20.00	17.25	23.19	16.00	11,751	13.44	2.04	558.8	NA	.16	.8	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B M	21.75	3.50	19.2	21.75	18.75	24.19	16.00	2,060	1.53	.47	225.5	22.4	.08	.4	.....	9 mos.	10-85	118.3	17.8	5.5	17.0	.23	9.5	362.2	19.7	16.5	11.5	.70	7.7
Homecrafters Whse M	1.38	- .25	- 15.4	1.50	1.00	10.00	1.00	7,307	25.82	6.23	314.4	NE	.00	.0	.....	6 mos.	07-85	51.8	19.4	(1.8)	- 100.0	(.64)	- 100.0	97.6	22.2	(3.3)	- 100.0	(1.18)	- 100.0
Home Depot N	13.25	2.00	17.8	13.75	10.75	20.38	10.50	13,252	5.29	1.60	230.6	36.8	.00	.0	.....	9 mos.	10-85	177.7	76.8	1.2	- 63.6	.04	- 69.2	497.0	57.6	5.6	- 46.7	.22	- 47.6
INTERCO Inc N	71.50	3.63	5.3	72.13	68.00	73.63	58.38	6,957	4.92	2.19	124.7	18.0	3.08	4.3	.....	6 mos.	08-85	644.0	- 8.1	23.2	- 4.9	1.47	- .7	1233.0	- 8.4	34.4	- 21.6	2.18	- 17.7
K mart Cp N	35.13	.25	.7	37.38	34.75	41.50	30.63	52,879	4.21	1.54	173.4	10.9	1.40	4.0	.....	9 mos.	10-85	5223.2	4.6	77.4	- 16.2	.60	- 15.5	15667.8	10.2	210.7	- 28.5	1.64	- 27.8
Lowe's Cos N	25.00	1.63	7.0	25.38	23.00	31.13	20.75	19,613	5.41	1.40	286.4	4.1	.36	1.4	.....	9 mos.	10-85	3833.0	756.2	441.1	2406.3	4.90	900.0	4880.9	271.8	473.9	831.0	5.81	312.1
Mich General A	3.75	.13	3.4	4.38	3.50	8.13	3.25	2,568	2.26	1.00	126.0	NE	.00	.0	.....	9 mos.	09-85	128.3	3.6	(7.9)	- 100.0	(.69)	- 100.0	335.4	- 2.6	(23.2)	- 100.0	(2.05)	- 100.0
Natl Lumber M	4.88	- .13	- 2.5	4.94	4.63	7.50	4.50	975	1.73	.42	311.9	24.4	.00	.0	NEW	9 mos.	09-85	33.7	.9	.1	- 66.7	.02	- 60.0	101.6	6.8	.8	- 20.0	.14	- 22.2
Pay N Pak N	13.00	- .75	- 5.5	15.00	12.50	15.25	11.50	4,517	4.52	1.44	213.9	14.4	.64	4.9	.....	6 mos.	08-85	90.5	3.1	3.0	- 21.1	.30	- 21.1	173.1	6.7	5.1	- 17.7	.51	- 17.7
Payless Cash N	15.88	.88	5.8	16.25	14.63	23.38	13.50	18,636	5.08	1.85	174.6	14.6	.16	1.0	.....	9 mos.	08-85	379.4	13.4	12.4	- 3.9	.36	- 10.0	1010.0	19.7	27.0	- 2.5	.80	- 7.0
Scotty's Inc N	15.00	.75	5.3	15.00	14.25	16.38	12.38	2,986	2.08	.70	197.1	12.2	.52	3.5	.....	3 mos.	09-85	110.3	8.5	2.8	- 17.6	.20	- 23.1	110.3	8.5	2.8	- 17.6	.20	- 23.1
Sears, Roebuck N	39.25	.50	1.3	41.13	38.75	41.13	30.88	142,783	3.93	1.14	244.7	11.0	1.76	4.5	.....	9 mos.	09-85	10047.1	3.7	262.2	- 18.5	.71	- 19.3	28647.1	3.4	751.0	- 15.8	2.03	- 17.8
Svc Merchandise M	13.00	.25	2.0	13.75	12.75	16.13	11.00	27,868	8.37	2.77	202.2	22.0	.08	.6	.....	9 mos.	09-85	528.3	69.7	(15.1)	- 100.0	(.45)	- 100.0	1421.0	53.3	(18.4)	- 100.0	(.55)	- 100.0
Std Brd Pnt N	20.13	.38	1.9	20.75	19.50	23.88	18.13	4,688	4.13	1.69	144.4	12.1	.56	2.8	.....	9 mos.	10-85	90.0	10.4	4.0	- 24.5	.35	- 27.1	266.4	9.1	14.2	- 12.9	1.26	- 14.3
Supermkts Gen N	48.00	- .38	- .8	51.00	47.63	51.00	33.25	3,032	1.69	.87	94.3	13.3	.48	1.0	.....	9 mos.	10-85	1263.6	9.9	24.2	132.7	.68	17.2	3766.3	25.1	42.1	38.9	2.35	38.2
Wickes Cos A	4.75	.50	11.8	5.63	4.13	5.63	3.13	176,577	18.41	2.55	622.0	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Wolohan Lumber M	6.25	.25	4.2	6.25	5.88	7.25	4.63	1,057	1.81	.92	96.7	12.0	.16	2.6	.....	9 mos.	09-85	46.8	12.5	1.2	9.1	.20	5.3	113.3	10.0	2.2	22.2	.38	22.6
Zayre Corp N	61.00	4.38	7.7	66.13	57.00	66.13	32.44	7,636	2.85	1.50	90.0	18.0	.48	.8	.....	9 mos.	10-85	942.0	21.3	27.6	22.1	1.02	21.4	2537.0	20.6	56.7	24.3	2.09	22.9
Wholesalers																													
Lewis Palmer M	7.75	- .13	- 1.6	8.00	7.38	9.38	6.38	843	2.15	.77	179.2	59.6	.27b	3.5	.....	9 mos.	10-85	39.9	- 9.9	.6	.0	.16	6.7	110.4	- 2.9	.8	- 42.9	.22	- 43.6
Manufacturers																													
Allegheny Int N	19.38	.00	.0	19.63	17.00	28.75	17.00	10,295	9.57	4.65	105.8	NE	1.40	7.2	.....	9 mos.	09-85	511.5	- .9	(71.4)	- 100.0	(7.35)	- 100.0	1519.2	- 1.0	(56.3)	- 100.0	(7.47)	- 100.0
Am Standard N	38.88	1.38	3.7	39.63	36.88	39.63	26.75	15,586	3.97	1.49	166.4	13.1	1.60	4.1	.....	9 mos.	09-85	830.9	.3	28.2	- 3.1	.71	- 5.3	2498.2	6.2	85.8	2.0	2.18	- 4.8
Armstrng Wrld N	44.38	1.63	3.8	45.25	42.63	45.25	30.38	7,612	3.18	1.57	102.5	11.0	1.30	2.9	.....	9 mos.	09-85	446.7	13.1	28.1	23.2	1.17	23.2	1253.2	5.6	78.3	6.7	3.26	8.7
Black & Decker N	20.50	1.50	7.9	20.63	18.75	26.88	17.25	22,575	4.45	2.29	94.3	NE	.64	3.1	.....	fiscal	09-85	454.3	- 5.9	(195.1)	- 100.0	(3.83)	- 100.0	1732.3	13.0	(158.4)	- 100.0	(3.11)	- 100.0
Boise Cascade N	45.75	.88	1.9	46.25	44.63	51.00	37.25	11,800	4.34	1.84	135.9	25.0	1.90	4.2	.....	9 mos.	09-85	934.2	- 3.0	20.3	- 37.9	.65	- 42.5	2844.5	- 2.2	85.3	- 9.4	2.84	- 12.3
Certain-teed N	26.63	- 1.13	- 4.1	27.88	25.75	28.50	21.25	2,225	1.17	.62	88.7	9.2	.70	2.6	.....	9 mos.	09-85	304.1	- 7.0	18.3	408.3	.93	447.1	848.0	- 7.4	43.0	45.3	2.18	48.3
Champ Intl N	24.25	- .25	- 1.0	25.00	23.38	26.75	20.00	40,068	4.31	1.65	161.2	NE	.52	2.1	.....	9 mos.	09-85	1330.4	17.6	37.9	- 5.7	.37	- 43.9	4575.1	33.4	125.0	14.3	1.22	- 31.5
Clopay Corp A	15.88	.63	4.1	16.25	15.13	22.19	11.25	150	.98	.35	180.0	NE	.16	1.0	.....	9 mos.	09-85	38.5	6.6	(1.2)	- 100.0	(.78)	- 100.0	103.7	6.3	(1.7)	- 100.0	(1.10)	- 100.0
DeSoto Inc N	36.38	.88	2.5	36.38	34.50	37.88	31.50	660	1.38	.73	89.9	11.8	1.40	3.8	.....	9 mos.	09-85	109.2	- 4.5	4.1	- 31.7	.86	- 18.9	330.1	.3	11.3	- 29.4	2.37	- 16.8
Emhart Corp N	33.13	2.63	8.6	33.25	30.50	33.25	26.25	4,922	1.78	.68	161.8	12.2	1.40b	4.2	.....	9 mos.	09-85	421.2	.1	17.0	- 20.6	.61	- 28.2	1290.6	- 4.1	56.4	- 13.0	2.03	- 21.3
Georgia-Pacifc N	26.25	1.00	4.0	26.50	25.13	27.38	20.50	40,066	3.89	1.57	147.8	32.0	.80	3.0	.....	9 mos.	09-85	1752.0	- .3	58.0	- 30.1	.52	- 29.7	5126.0	4.3	174.0	- 20.2	1.56	- 8.8
Insilco Corp N	21.00	.00	.0	21.38	19.25	21.38	16.63	5,805	2.95	1.46	102.1	13.1	1.00b	4.8	.....	9 mos.	09-85	209.1	1.0	5.9	- 35.2	.30	- 41.2	637.1	5.1	22.5	- 12.5	1.20	- 15.5
La Pacific N	23.00	.50	2.2	23.38	22.38	24.75	17.63	7,784	2.19	1.00	119.0	19.7	.80b	3.5	.....	9 mos.	09-85	332.3	6.3	11.3	63.8	.32	77.8	948.3	.2	18.7	- 11.8	.53	- 10.2
MacMiln Bldel N	17.50	2.50	16.7	17.50	14.75	21.34	12.47	177	.06	.02	200.0	26.5	.00a	.0	.....	9 mos.	09-85	597.1	- 1.0	12.1	61.3	.18	350.0	1733.7	11.9	22.5	NE	.10	NE
Manville Cp N	6.25	.75	13.6	6.25	5.25	8.63	5.13	10,250	4.27	1.44	196.5	NE	.00	.0	.....	9 mos.	09-85	471.4	- 4.0	(98.6)	- 100.0	(4.37)	- 100.0	1405.4	3.5	(66.0)	- 100.0	(3.53)	- 100.0
Masco Corp N	40.50	2.00	5.2	42.38	38.00	42.38	26.00	20,892	3.60	.93	287.1	27.6	.64	1.6	.....	9 mos.	09-85	NC	NC	(48.6)	- 100.0	(.10)	NE	449.1	- 44.2	23.2	- 75.4	1.14	- 31.7
Mor-Flo Inds M	18.63	2.88	18.3	18.75	16.25	20.25	14.50	383	1.51	.88	71.6	8.8	.01	.1	.....	9 mos.	09-85	47.0	.9	.3	- 81.3	.11	- 82.5	153.0	3.9	3.7	- 22.9	1.45	- 24.5
Natl Gypsum N	43.88	- .25	- .6	45.13	43.25	47.25	24.34	11,350	4.96	2.33	112.9	8.4	1.52	3.5	.....	9 mos.	09-85	468.0	4.2	35.1	24.9	1.53	26.4	1277.4	- .8	96.6	18.4	4.16	18.9
Newell Co N	22.50	.50	2.3	22.63	21.50	22.63	15.13	571	.66	.77	- 14.3	11.6	.60	2.7	.....	9 mos.	09-85	92.2	36.4	5.4	74.2	.60	66.7	253.4	15.9	13.4	34.0	1.48	27.6
Owens Corning N	37.75	2.25	6.3	38.75	35.75	38.75	30.50	10,852	3.65	1.01	261.4	9.3	1.40	3.7	.....	9 mos.	09-85	870.5	8.0	38.9	11.8	1.31	11.0	2338.4	3.2	87.1	8.5	2.94	7.7
Ply-Gem A	16.88	.25	1.5	17.25	15.88	17.25	12.63	5,874	13.67	1.56	776.3	15.2	.16	.9	.....	9 mos.	09-85	39.5	- 2.7	1.1	37.5	.25	31.6	123.0	- .2	3.1	- 3.1	.77	- 12.5
Pope & Talbot N	19.63	1.25	6.8	20.25	18.13	21.50	15.63	1,395	2.33	1.39	67.6	85.3	.80	4.1	.....	9 mos.	09-85	82.0	- .6	2.1	NE	.34	NE	250.3	3.8	6.1	48.8	1.01	46.4
Potlatch Cp N	36.38	1.50	4.3	36.38	34.25	43.63	28.38	2,043	1.33	3.43	- 61.2	14.5	1.56	4.3	.....	9 mos.	09-85	239.6	- 3.8	11.3	1.8	.65	1.6	722.9	- 4.6	33.3	- 15.9	1.93	- 13.1
Sherwin-Wms N	46.50	1.75	3.9	46.50	44.75	46.50	26.75	3,593	1.57	.71	121.1	14.7	.92	2.0	.....	9 mos.	09-85	578.8	4.8	29.1	15.0	1.26	13.5	1677.5	6.6	63.3	13.2	2.75	13.2
SW Forest Ind N	11.88	1.13	10.5	11.88	10.50	15.88	9.88	13,113	14.12	3.48	305.7	NE	.00	.0	.....	9 mos.	09-85	181.6	- 10.6	(2.8)	- 100.0	(.45)	- 100.0	530.9	- 9.6	(7.3)	- 100.0	(1.25)	- 100.0
Stanley Works N	32.75	1.88	6.1	33.75	30.75	33.75	24.50	7,231	2.60	.67	288.1	12.0	1.04	3.2	.....	9 mos.	09-85	297.1	.8	19.4	7.2	.70	7.7	885.9	3.9	52.6	5.2	1.92	7.3
Thos Inds N	20.63	2.63	14.6	20.75	17.88	20.75	14.41	1,583	1.77	.53	234.0	11.6	.65b	3.2	.....	9 mos.	09-85	79.1	- .5	4.9	14.0	.54	14.9	231.9	8.1	12.0	.0	1.34	.0
Triangle Pac N	35.25	- .25	- .7	36.25	34.75	37.00	26.00	485	1.28	1.11	15.3	9.8	1.00	2.8	.....	9 mos.	09-85	69.0	- 3.5	4.7	9.3	1.24	21.6	198.2	- 4.5	11.6	8.4	2.90	12.0
USG Corp N	50.25	5.00	11.0	50.25	45.13	50.25	29.06	8,949	2.68	1.21	121.5	8.0	1.68	3.3	.....	9 mos.	09-85	657.4	3.7	65.7	38.3	1.96	36.1	1891.3	10.7	169.9	16.9	5.08	15.5
Walter, Jim N	42.75	1.75	4.3	42.75	40.63	42.75	31.00	8,180	3.87	1.87	107.0	8.4	1.40	3.3	NEW	fiscal	08-85	627.9	11.2	38.4	13.9	1.75	12.9	2292.3	1.5	111.7	15.2	5.11	14.8
Waxman Ind M	11.63	1.13	10.7	11.75	10.25	16.88	6.59	3,121	9.95	2.15	362.8	17.4	.08	.7	.....	3 mos.	09-85	21.5	4.9	.6	- 14.3	.18	- 55.0	21.5	4.9	.6	- 14.3	.18	- 55.0
Weyerhaeuser N	30.88	- .25	- .8	32.38	30.38	34.00	24.75	31,332	2.41	.91	164.8	29.4	1.30	4.2	NEW	9 mos.	09-85	1291.8	- 51.6	38.6	- 33.8	.24	- 40.0	3967.6	- 4.2	136.5	- 31.3	.89	- 34.6

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column
Volume Trend Change—% difference between "2-weeks shares traded % out" and "12-week avg. vol. as % of out."
P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.